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S E C R E T SECTION 01 OF 02 DUBAI 000442

NEA/ARP FOR BMASILKO; ISN FOR PMCNERNEY; DOE FOR WTOBEY; SIPDIS

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SUBJECT: AA/S MCNERNEY'S MEETINGS WITH MAJOR GENERAL MOHAMMED AL QEMZI AND MINISTER OF STATE REEM AL HASHIMY

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CLASSIFIED BY: Paul Sutphin, U.S. Consul General Dubai, Exec,
Department of State.
REASON: 1.4 (b), (d)

¶1. (S) Summary: On October 16, Acting Assistant Secretary of State for International Security and Nonproliferation Patricia McNerney visited Dubai to discuss export control issues related to Iran with government officials and the private sector (see septel for other meetings). McNerney met with Major General Mohammed Al Qemzi, Chairman of the UAE Counterproliferation Task Force and Director of Dubai's General Department of State Security; their discussion touched on the upcoming Counterproliferation Task Force (CTF) meeting in December, and reviewed progress on counterproliferation cooperation, the disposition of seized equipment, and enforcement of the UAE's recently passed export control law. McNerney also met with Minister of State Reem Al Hashimy and touched on a variety of issues including nuclear energy security and Iran. End Summary.

¶2. (S) McNerney, accompanied by Department of Energy's National Nuclear Security Administration Deputy Administrator Will Tobey and the Consul General, met with Major General Al Qemzi and several of his staff officers. The meeting touched on the upcoming CTF, with both sides agreeing to work on an agenda that met the concerns of both sides. The discussion turned to the disposition of controlled items bound for Iran seized by the UAE government over the past several years in coordination or at the behest of the USG. McNerney noted to Al Qemzi the USG may be able to provide funding for the removal of goods languishing in Jebel Ali Port. She also discussed the possibility of either the USG taking and redistributing the equipment or auctioning it. Al Qemzi thought this would be a positive step and requested additional information.

¶3. (S) Al Qemzi noted the 2007 passage of the export control law as a major step forward in the UAE's efforts to secure its borders and prevent movement of sensitive materials to Iran. He admitted, however, that significant work remains to be done to effectively enforce it. Nonetheless, there are positive steps forward. Al Qemzi described, for example, a computer system currently utilized by Dubai Customs in which alarms are set off by key words (NFI). This system successfully identified five shipments of interest during September 2008. These shipments included titanium sheets, equipment used to freeze chemicals, and valves.

¶4. (S) McNerney pressed Al Qemzi to publish the names of companies against whom the UAE has taken action for export control violations. Clearly reflecting UAEG policy, Al Qemzi

expressed his preference for not publicizing these names as this sort of publicity could impact negatively on Dubai's economy, of which trade with Iran is a significant component. He emphasized that the focus should be on enforcing UN sanctions and that as long as the UAE prevents sensitive materials from reaching Iran, publicizing the names of these companies is unnecessary. With regard to the Mayrow case, Al Qemzi denied recent press reports (note: presumably the recent story in the UK's "Daily Telegraph") that Mayrow continues to operate in the UAE. He said the UAE continues to monitor individuals associated with Mayrow, but confirmed that the company itself remains closed. Despite Al Qemzi's preference for quiet actions, he expressed some concern that the UAE's cooperation with the U.S. on export control issues has not been sufficiently acknowledged.

15. (S) McNerney also met with Minister of State Reem Al Hashimy and touched on a variety of issues including the UAE's contribution to the Nuclear Threat Initiative (NTI) Fuel Bank, nuclear energy, and Iran. Again, McNerney pressed for the UAE to publicize the names of companies that the UAE has taken actions against for violations of their export control law. Al Hashimy noted the UAE's preference for discretion in these matters. McNerney further noted that the letter Yousef Al-Otaiba had sent to UAE industry about U.S.-UAE cooperation in this area had been very helpful. McNerney thanked Al Hashimy for UAE's \$10 million commitment to the NTI/IAEA Fuel Bank and for the UAE's leadership in showing the region the importance of pursuing nuclear power safely by securing international fuel sources.

16. (S) Turning to civil nuclear cooperation, McNerney solicited Al Hashimy's views. Al Hashimy noted that while at first she could not understand why the UAE would need nuclear energy, she noted that in order to keep up with development the UAE would need to find additional energy sources, Al Hashimy commented that the UAE is showing a transparent way of obtaining nuclear

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energy. McNerney suggested that the UAE could play a pioneering role in the development of a regional energy grid.

17. (S) McNerney and Al Hashimy's discussion transitioned to the UAE's relationship with Iran. Regarding proliferation finance, McNerney suggested that the UAE should take more aggressive action against Iranian banking in the UAE. While Al Hashimy cautioned that the UAE needed the cover of United Nations Security Council Resolutions, McNerney noted that the UAE should read the UNSCRs more broadly. McNerney suggested that in the area of additional UN sanctions on Iran, progress is slow and Iran is trying to wait out this administration. Al Hashimy noted that the UAE approaches the topic of Iran with a measure of caution as there needs to be a balance. On one hand, Iran is a major trading partner, so it is not in the UAE's interest to jeopardize this relationship. In addition, the UAE is neighbors with Iran and Dubai is also home to many Iranians. On the other hand, a nuclear-armed Iran is a cause for concern for the UAE. Al Hashimy emphasized that the UAE supports the UN resolutions, but that the UAE cannot stick its head out on it.
SUTPHIN